

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

**IN RE:
APPLICATION OF**

THE GARDENS AT BARTON HOLDINGS LLC,)	
THE GARDENS AT GLOVER HOLDINGS LLC,)	
THE GARDENS AT LYNDONVILLE HOLDINGS LLC,)	GMCB 006-16con
THE GARDENS AT BARTON LLC,)	
THE GARDENS AT GLOVER LLC, AND)	
THE GARDENS AT LYNDONVILLE LLC)	

Introduction

The Gardens at Barton Holdings LLC, The Gardens at Glover Holdings LLC, The Gardens at Lyndonville Holdings LLC, The Gardens at Barton LLC, The Gardens at Glover LLC, and The Gardens at Lyndonville LLC (the “Applicants”), all Vermont limited liability companies, hereby apply for a Certificate of Need (“CON”) to purchase the land and operations of all buildings and all other structures, facilities or improvements of Maple Lane Nursing Home (“Maple Lane”), in Barton, Vermont, Union House Nursing Home (“Union House”), in Glover, Vermont, and Pines Rehab & Health Care Center (“Pines Rehab”), in Lyndonville, Vermont (collectively, the “Facilities”), as detailed below.

The purchase price for the Facilities is Eight Million Five Hundred Thousand Dollars (\$8,500,000.00). The total project cost is Eight Million Seven Hundred Twenty-Five Thousand Dollars (\$8,725,000.00).

The Applicants have entered into an agreement with Northern Kare Facilities, Inc., Kingdom Rehab Center, LLC, Pine Knoll Nursing Home, Inc., and Union House Nursing Home, Inc. for the proposed purchase of the Facilities.

The Applicants have acknowledged the Green Mountain Care Board’s (the “Board”) CON jurisdiction in a letter to the Board dated March 23, 2016. The Gardens at Barton Holdings LLC, The Gardens at Glover Holdings LLC, and The Gardens at Lyndonville Holdings LLC will own the real estate for Maple Lane, Union House and Pines Rehab, respectively, while the licenses and operations will be in the names of The Gardens at Barton LLC, The Gardens at Glover LLC, and The Gardens at Lyndonville LLC, respectively.

I. Project Details – The Facilities

The overall current ownership of the facilities is detailed by the sellers in Attachment 1.

A. MAPLE LANE

1. Current Ownership and Operations

Maple Lane is currently owned and operated by Kingdom Rehab Center, LLC. As a continuous care concept, Maple Lane offers a full range of services from adult day care, cottage apartments, and a retirement home to the 71-bed nursing facility (with 16 Level III beds) - all sharing the nine-acre campus (commonly known as Maple Lane Nursing Home).

2. Facility Contact Information

Address: 60 Maple Lane
PO Box 500
Barton, VT 05822
Phone: 802-754-8575
Fax: 802-754-2113
County: Orleans

3. Facility Location

Maple Lane is located in the Town of Barton, County of Orleans, Vermont.

4. Building

The building housing the 16 Level III beds is a converted farmhouse that was built in 1916. The skilled nursing facility was built in 1980 and underwent a renovation that cost more than \$525,000 in 2010 and included new windows, insulation, roof and mechanics.

5. Improvements

Attachment 2 shows assets and improvements for Maple Lane.

6. Facility History

Maple Lane was conveyed to the current owners in 1999.

7. Licensed Beds

Licensed capacity: 71 beds (with 16 Level III beds).
2 private beds.

8. Maple Lane Admission Referral Sources, 10/1/15 – 9/30/16

Ranked from highest to lowest referrals

North Country Hospital
Northeastern Vermont Regional Hospital
White River Junction VA Medical Center
Michaud Manor
University of Vermont Health Network - Central Vermont Medical Center
University of Vermont Medical Center
Resident's family/Resident's own home
Out-of-state facility

Level III

Maple Lane Nursing Home
Resident's family/Resident's own home

9. Key Personnel

Maple Lane's key personnel are:

- Administrator: Francis Cheney, III. A copy of his curriculum vitae and proof of licensure are submitted as **Attachment 3**.
- Director of Nursing Services: Rhonda Smith. A copy of her curriculum vitae and proof of licensure are submitted as **Attachment 4**.
- Medical Director: Dr. Maria Fatigati. A copy of her curriculum vitae and proof of licensure are submitted as **Attachment 5**.

10. Staffing

- A current staffing list for Maple Lane's employees (FTE and per diem) is included as **Attachment 6**.
- See also CON Required Tables, The Gardens at Barton LLC & The Gardens at Barton Holdings LLC Purchase of Maple Lane Nursing Home, submitted as **Attachment 7**, Table 9, Staffing Projections, which includes all contracted personnel and employees.

11. Description of Services

- **Physical and Occupational Therapy**
Maple Lane contracts with Elderfit Rehab Solutions P.C. to provide physical and occupational therapy evaluations and treatments at Maple Lane.

- **Speech Pathology Services**
Speech Therapy is contracted through North Country Hospital Rehabilitation Services.
- **Hospice and Palliative Care**
Hospice and palliative care services are provided by Palliative Care Network through North Country Hospital.
- **Dietary Consultant**
The contracted dietician is Sherlyn B. Morrisette. A copy of her proof of license is submitted as **Attachment 8.**
- **Pharmacy Services**
Maple Lane utilizes HealthDirect Institutional Pharmacy Services, Inc., 600 Blair Park Road Suite 195, Williston, VT 05495. A copy of proof of license is submitted as **Attachment 9.**
- **Medicare Wing**
All wings at Maple Lane are certified for Medicare.
- **Mental Health Services**
Maple Lane contracts with Deer Oaks, the leading provider of geropsychology services across the United States. Deer Oaks' clinicians participate in the resident's care as directed by the resident's family and nursing home staff.
- **Food Services and Vendor**
Food services are handled individually by the facility staff. The major food vendor is Sysco Corporation. The FY 2015 raw food cost at Maple Lane was \$6.174 per person/per day. If the purchase of Maple Lane is approved, then the Applicants expect to maintain the daily rate provided at the facility. The Applicants will reevaluate costs on an as needed basis.

12. Survey History

All surveys performed by the Department of Disabilities, Aging and Independent Living, Division of Licensing and Protection and Maple Lane's Plans of Correction for the past one-year period are submitted as **Attachment 10.**

13. CMS Profile

The Facility's CMS Five-Star Quality Rating System data, current as of October 6, 2016, is submitted as **Attachment 11.**

14. Financial Statements

Kingdom Kare (d/b/a Maple Lane) and Affiliated Companies Combining Financial Statements for each of the past three years are submitted as follows:

December 31, 2013, Attachment 12;
December 31, 2014, Attachment 13; and,
December 31, 2015, Attachment 14.

15. Organizational Chart

An organizational chart for Maple Lane is attached as Attachment 15.

B. UNION HOUSE

16. Current Ownership and Operations

Union House is currently owned by Northern Kare Facilities, Inc. and operated by Union House Nursing Home, Inc.

17. Facility Contact Information

Address: 3086 Glover Street
Glover, VT 05839
Phone: 802-525-6600
Fax: 802-525-6952
County: Orleans

18. Facility Location

The facility is located in the Town of Glover, County of Orleans, Vermont.

19. Building

The building housing the facility was built circa 1850, with a new addition added in 1990-91.

20. Improvements

Attachment 16 shows assets and improvements for Union House.

21. Facility History

Patricia Russell took ownership of Union House in 1984 and then joined with Francis Cheney Jr. in 1998-99. They now own Union House as Northern Kare Facilities, Inc. and lease operations to Union House Nursing Home, Inc.

22. Licensed Beds

Licensed capacity: 44 beds.
2 private beds.

23. Union House Admission Referral Sources, 10/1/15 – 9/30/16

Ranked from highest to lowest referrals

North Country Hospital

Copley Hospital

University of Vermont Health Network - Central Vermont Medical Center

• Northeastern Vermont Regional Hospital

Resident's family/Resident's own home

Out-of-state facility

24. Key Personnel

Union House's key personnel are:

- Administrator: Patricia Russell. A copy of her curriculum vitae and proof of licensure are submitted as **Attachment 17.**
- Director of Nursing Services: Dorene Valiquette. A copy of her curriculum vitae and proof of licensure are submitted as **Attachment 18.**
- Medical Director: Dr. Maria Fatigati. A copy of her curriculum vitae and proof of licensure are submitted as **Attachment 5.**

25. Staffing

- A current staffing list for Union House's employees (FTE and per diem) is included as **Attachment 19.**
- See also CON Required Tables, The Gardens at Glover LLC & The Gardens at Glover Holdings LLC Purchase of Union House Nursing Home, submitted as **Attachment 20.** Table 9, Staffing Projections, which includes all contracted personnel and employees.

26. Description of Services

- **Physical and Occupational Therapy**
Maple Lane contracts with Elderfit Rehab Solutions P.C. to provide physical and occupational therapy evaluations and treatments at Maple Lane.
- **Speech Pathology Services**
Speech Therapy is contracted through Susanne Wernecke, whose proof of licensure is submitted as **Attachment 21.**

- **Hospice and Palliative Care**
Hospice and palliative care services are provided by Palliative Care Network through North Country Hospital.
- **Dietary Consultant**
The dietician is contracted through North Country Hospital.
- **Pharmacy Services**
Maple Lane utilizes HealthDirect Institutional Pharmacy Services, Inc., 600 Blair Park Road Suite 195, Williston, VT 05495. A copy of proof of license is submitted as **Attachment 9.**
- **Medicare Wing**
Union House has a “Distinct Part,” considered a “Medicare Wing” on the first level.
- **Mental Health Services**
Union House contracts with Deer Oaks, the leading provider of geropsychology services across the United States. Deer Oaks’ clinicians participate in the resident’s care as directed by the resident’s family and nursing home staff.
- **Food Services and Vendor**
Food services are handled individually by the facility staff. The major food vendor is US Foods, Inc. The FY 2015 raw food cost at Union House was \$8.741 per person/per day. If the purchase of Union House is approved, then the Applicants expect to maintain the daily rate provided at the facility. The Applicants will reevaluate costs on an as needed basis.

27. Survey History

All surveys performed by the Department of Disabilities, Aging and Independent Living, Division of Licensing and Protection and Maple Lane’s Plans of Correction for the past one-year period are submitted as **Attachment 22.**

28. CMS Profile

The Facility’s CMS Five-Star Quality Rating System data, current as of October 6, 2016, is submitted as **Attachment 23.**

29. Financial Statements

Kingdom Kare (d/b/a Maple Lane) and Affiliated Companies Combining Financial Statements for each of the past three years are submitted as follows:

December 31, 2013, **Attachment 12;**
December 31, 2014, **Attachment 13;** and,
December 31, 2015, **Attachment 14.**

30. Organizational Chart

An organizational chart for Union House is attached as **Attachment 24.**

C. PINES REHAB

31. Current Ownership and Operations

Pines Rehab is currently owned by Northern Kare, LLC and operated by Pine Knoll Nursing Home, Inc. It is a 60-bed nursing home facility with 10 Level III beds (commonly known as Pines Rehab & Health Care Center).

32. Facility Contact Information

Address: 601 Red Village Road
Lyndonville, VT 05851
Phone: 802-626-3361
Fax: 802-626-4056
County: Caledonia

33. Facility Location

The facility is located in the Town of Lyndonville, County of Caledonia, Vermont.

34. Building

The building housing the facility was built in 1870, with additions in 1960, 1972, 1987, 1988 and 1995. New buildings and renovations were undertaken in 1986 and 1987.

35. Improvements

Attachment 25 shows assets and improvements for Pines Rehab.

36. Facility History

Francis Cheney Jr. took ownership of Pines Rehab in 1980 and then joined with Patricia Russell in 1998-99. They now own Pines Rehab as Northern Kare Facilities, Inc. and lease operations to Pine Knoll Nursing Home, Inc.

37. Licensed Beds

Licensed capacity: 60 beds (with ten Level III beds)
No private beds.

38. Pines Rehab Admission Referral Sources, 10/1/15 – 9/30/16

Ranked from highest to lowest referrals

Northeastern Vermont Regional Hospital
Dartmouth-Mary Hitchcock Memorial Hospital
University of Vermont Health Network - Central Vermont Medical Center

University of Vermont Medical Center
White River Junction VA Medical Center
Littleton Regional Healthcare
Resident's family/Resident's own home
Out-of-state facility

Level III

University of Vermont Health Network - Central Vermont Medical Center
Northeastern Vermont Regional Hospital
Resident's family/Resident's own home

39. Key Personnel

Pines Rehab's key personnel are:

- Administrator: Francis Cheney, Jr. A copy of his curriculum vitae and proof of licensure are submitted as **Attachment 26.**
- Director of Nursing Services: Diana LaFountain. A copy of her curriculum vitae and proof of licensure are submitted as **Attachment 27.**
- Medical Director: Dr. Joyce Dobbartin. A copy of her proof of her curriculum vitae and licensure is submitted as **Attachment 28.**

40. Staffing

- A current staffing list for the Pines Rehab's employees (FTE and per diem) is included as **Attachment 29.**
- See also CON Required Tables, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings LLC Purchase of Pines Rehab Lane Nursing Home, submitted as **Attachment 30,** Table 9, Staffing Projections, which includes all contracted personnel and employees.

41. Description of Services

- **Physical and Occupational Therapy**
Pines Rehab contracts with Elderfit Rehab Solutions P.C. to provide physical and occupational therapy evaluations and treatments at Pines Rehab.
- **Speech Pathology Services**
Speech Therapy is contracted through Caledonia Home health Speech.
- **Hospice and Palliative Care**
Hospice and palliative care services are provided by Palliative Care Network through North Country Hospital.

- **Dietary Consultant**
The contracted dietician is Sherlyn B. Morrisette. A copy of her proof of license is submitted as **Attachment 8**.
- **Pharmacy Services**
Union House utilizes HealthDirect Institutional Pharmacy Services, Inc., 600 Blair Park Road Suite 195, Williston, VT 05495. A copy of proof of license is submitted as **Attachment 9**.
- **Medicare Wing**
All wings at Pines Rehab are certified for Medicare.
- **Mental Health Services**
Pines Rehab contracts with Deer Oaks, the leading provider of geropsychology services across the United States. Deer Oaks' clinicians participate in the resident's care as directed by the resident's family and nursing home staff.
- **Food Services and Vendor**
Food services are handled individually by the facility staff. The major food vendor is Sysco Corporation. The FY 2015 raw food cost at Pines Rehab was \$6.011 per person/per day. If the purchase of Pines Rehab is approved, then the Applicants expect to maintain the daily rate provided at the facility. The Applicants will reevaluate costs on an as needed basis.

42. Survey History

All surveys performed by the Department of Disabilities, Aging and Independent Living, Division of Licensing and Protection and Pines Rehab's Plans of Correction for the past one-year period are submitted as **Attachment 31**.

43. CMS Profile

The Facility's CMS Five-Star Quality Rating System data, current as of October 6, 2016, is submitted as **Attachment 32**.

44. Financial Statements

Kingdom Kare (d/b/a Maple Lane) and Affiliated Companies Combining Financial Statements for each of the past three years are submitted as follows:

December 31, 2013, **Attachment 12**;
December 31, 2014, **Attachment 13**; and,
December 31, 2015, **Attachment 14**.

45. Organizational Chart

An organizational chart for Pines Rehab is attached as **Attachment 33**.

D. Applicants' Information

46. Individuals

Six individuals—Joshua Farkovits, Jordan Fensterman, David Gamzeh, Akiva Glatzer, Ephram M. Lahasky and Ari Stawis—formed two separate corporate entities¹ to purchase the real estate and operations of Pines Rehab.

47. Corporations

a. Maple Lane.

The Gardens at Barton Holdings LLC will own the Maple Lane assets, as further described in the Asset Purchase Agreement, Attachment 34, at 1-2, and enter into a lease agreement with The Gardens at Barton LLC which will hold the license and be the operator of Maple Lane. Copies of the Articles of Organization for both entities are submitted as Attachment 35, Tabs 1 and 2, respectively.

b. Union House.

The Gardens at Glover Holdings LLC will own the Union House assets, as further described in the Asset Purchase Agreement, Attachment 34, at 1-2, and enter into a lease agreement with The Gardens at Glover LLC which will hold the license and be the operator of Union House. Copies of the Articles of Organization for both entities are submitted as Attachment 36, Tabs 1 and 2, respectively.

c. Pines Rehab.

The Gardens at Lyndonville Holdings LLC will own the Pines Rehab assets, as further described in the Asset Purchase Agreement, Attachment 34, at 1-2, and enter into a lease agreement with The Gardens at Lyndonville LLC which will hold the license and be the operator of Pines Rehab. Copies of the Articles of Organization for both entities are submitted as Attachment 37, Tabs 1 and 2, respectively.

48. Ownership Interests

Except with respect to Jordan Fensterman and Ari Stawis, each individual will hold a 19.5% interest in each applicant limited liability company: The Gardens at Barton Holdings LLC, The Gardens at Glover Holdings LLC, The Gardens at Lyndonville Holdings LLC, The Gardens at Barton LLC, The Gardens at Glover LLC, The Gardens at Lyndonville LLC. Jordan Fensterman will hold a 20% interest and may create an LLC for his interests. To the extent there are any other members in the LLC, their interests will each equate to a less than 5% interest in any of the limited liability companies. Ari Stawis will hold a 2% interest in each new limited liability company.

¹ For simplicity, we refer herein to both the individuals and the corporate entities as “the Applicants.”

	Joshua Farkovits	Jordan Fensterman	David Gamzeh	Akiva Glatzer	Ephraim Lahasky	Ari Stawis
Interest in Real Estate	19.5%	20%	19.5%	19.5%	19.5%	2%
Interest in Operations	19.5%	20%	19.5%	19.5%	19.5%	2%
Equity Contribution	\$375,375	\$385,000	\$375,375	\$375,375	\$375,375	\$38,500

49. Curriculum Vitae

A curriculum vitae is submitted for each of the individual Applicants with an ownership interest of more than 2%, as follows:

- a. Joshua Farkovits: **Attachment 38;**
- b. Jordan Fensterman: **Attachment 39;**
- c. David Gamzeh: **Attachment 40;**
- d. Akiva Glatzer: **Attachment 41;** and
- e. Ephraim Mordy Lahasky: **Attachment 42.**

50. Personal Financial Statements

A Personal Financial Statement, and accompanying Verification Under Oath, is submitted confidentially under separate cover for each individual applicant with an ownership interest of more than 2%, as follows:

- a. Joshua Farkovits: **Attachment 43;**
- b. Jordan Fensterman: **Attachment 44;**
- c. David Gamzeh: **Attachment 45;**
- d. Akiva Glatzer: **Attachment 46;** and
- e. Ephraim Mordy Lahasky: **Attachment 47.**

The Personal Financial Statements referenced above include all personal, health care, and non-health care interests, assets, and liabilities.

51. Holdings and Operational Experience

The individual Applicants have the following current holdings and/or operations experience with long-term care facilities:

Joshua Farkovits	Ownership Interests	Licensed Nursing Home Administrator
Barclay's Health and Rehabilitation (formerly, ManorCare Health Services) 412 Marlton Pike E Cherry Hill, NJ 08034 <u>Attachment 48, Tab 9, CMS Star Data.</u>	12.5% interest in operations. Purchased in November 2015.	
Bayshore Health and Rehab 1601 St Louis Ave Duluth, MN 55802 <u>Attachment 48, Tab 1, CMS Star Data.</u>	20.8% interest in real estate; 20.8% interest in operations. Purchased April 1, 2016.	
Brighton Rehabilitation and Wellness Center (formerly, Friendship Ridge) 246 Friendship Circle Beaver PA 15009 <u>Attachment 48, Tab 3, CMS Star Data.</u>	10.5% interest in real estate; 10.5% interest in operations. Purchased in March, 2014.	
Centennial Gardens (formerly, Crystal Care Center) 3245 Vera Cruz Ave Minneapolis MN <u>Attachment 48, Tab 4, CMS Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Center for Advanced Rehab at Parkside (formerly, Parkside Care Center) 110 Park City Rd Rossville GA <u>Attachment 48, Tab 11, CMS Star Data.</u>	22.5% interest in real estate; 22.5% interest in operations. Purchased April 1, 2016.	
Chicopee Gardens Rehabilitation and Care Center (formerly, Birch Manor Rehabilitation & Skilled	18.5% interest in real estate; 18.5% interest in operations. Purchased March 1, 2016.	

Nursing Center) 44 New Lombard Rd Chicopee, MA <u>Attachment 48, Tab 2, CMS Star Data.</u>		
Claiborne and Hughes Health Center 200 Strahl St Franklin TN 37064 <u>Attachment 48, Tab 5, CMS Star Data.</u>	9.0% interest in real estate; 9.0% interest in operations. Purchased in January, 2015.	
Comprehensive Rehab & Nursing Center at Williamsville (formerly, St. Francis Home of Williamsville) 147 Reist St Williamsville, NY 14221 <u>Attachment 48, Tab 17, CMS Star Data.</u>	37.5% interest in real estate; 37.5% interest in operations. Purchased in May, 2015.	
Crossroads Care Center 965 McMillan St Worthington, MN 56187 <u>Attachment 48, Tab 6, CMS Star Data.</u>	20.8% interest in real estate; 20.8% interest in operations. Purchased April 1, 2016.	
Delmar Nursing and Rehabilitation Center 101 E. Delaware Ave Delmar DE 19940 <u>Attachment 48, Tab 7, CMS Star Data.</u>	19% interest in real estate; 19% interest in operations. Purchased in June, 2015	
Gardens at Cannon Falls (formerly, Angel Care Center) 300 Dow Street North Cannon Falls MN <u>Attachment 48, Tab 18, CMS Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Hamilton Nursing Home 590 East Grand Blvd Detroit MI 48207 <u>Attachment 48, Tab 8, CMS</u>	11.25% interest in real estate; 18.75% interest in operations.	

<u>Star Data.</u>	Purchased in September 2015.	
Maybrook Hills Health and Rehab Center (formerly Valley View of Altoona 301 Valley View Blvd, Altoona, PA 16602 <u>Attachment 48, Tab 35,</u> <u>CMS Star Data.</u>	28.5% interest in operations. Purchased January 2016	
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753 <u>Attachment 48, Tab 10,</u> <u>CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased in November 2015.	
Pearl Valley Muscatine (formerly, All American) 2002 Cedar St Muscatine, IA 52761 <u>Attachment 48, Tab 12,</u> <u>CMS Star Data.</u>	19.5% interest in real estate; 19.5% interest in operations. Purchased April 1, 2016.	
Pearl Valley Rehabilitation & Healthcare Center 601 E Polk St. Washington, IA 52353 <u>Attachment 48, Tab 13,</u> <u>CMS Star Data.</u>	18.5 % interest in real estate; 18.5% interest in operations. Purchased in September, 2015.	
Ridgeview Nursing and Rehab 200 Pennsylvania Ave Shenandoah, PA 17976 <u>Attachment 48, Tab 15,</u> <u>CMS Star Data.</u>	12.5% interest in real estate; 12.5% interest in operations. Purchased March 1, 2016.	
South Shore Care Center 1307 S Shore Dr Worthington, MN 56187 <u>Attachment 48, Tab 16,</u> <u>CMS Star Data.</u>	20.8% interest in real estate; 20.8% interest in operations. Purchased April 1, 2016.	
Valley View Manor 200 9th Ave E Lamberton, MN 56152	20% interest in real estate; 20% interest in operations. Purchased in 2015.	

<u>Attachment 48, Tab 19,</u> <u>CMS Star Data.</u>		
Villages of Orleans Health and Rehab Center 14012 State Highway 31 Albion, NY 14411 <u>Attachment 48, Tab 20,</u> <u>CMS Star Data.</u>	25% interest in real estate; 25% interest in operations. Purchased in 2015.	
Waterbury Garden (formerly, Village Green of Waterbury Rehab and Health Center) 128 Cedar Ave Waterbury CT <u>Attachment 48, Tab 21,</u> <u>CMS Star Data.</u>	9.375% interest in real estate; 9.375% interest in operations. Purchased March 17, 2016.	
Westfield Gardens and Nursing Rehab (formerly, Renaissance Manor of Westfield) Westfield Gardens and Nursing Rehab 37 Feeding Hills Road Westfield, MA 01085 <u>Attachment 48, Tab 14,</u> <u>CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased on 12/16/2015.	

Jordan Fensterman	Ownership Interests	Licensed Nursing Home Administrator
Bayshore Health and Rehab 1601 St Louis Ave Duluth, MN 55802 <u>Attachment 48, Tab 1, CMS</u> <u>Star Data.</u>	7% interest in real estate; 7% interest in operations. Purchases April 1, 2016	
Burlington Rehab and Care Center 677 East State Street Burlington, WI 53105 <u>Attachment 48, Tab 22,</u> <u>CMS Star Data.</u>	7% interest in operations. Purchased June/July 2014	

Cambridge Health and Rehab Center 1471 Wills Creek Valley Dr. Cambridge, OH 43725 <u>Attachment 48, Tab 23, CMS Star Data.</u>	7% interest in operations. Purchased June/July 2014	
Centennial Gardens (Crystal Care Center) 3245 Vera Cruz Ave Minneapolis MN <u>Attachment 48, Tab 4, CMS Star Data.</u>	20% interest in operations. Purchased March 1, 2016.	
Chicopee Gardens Rehabilitation and Care Center (formerly, Birch Manor Rehabilitation & Skilled Nursing Center) 44 New Lombard Rd Chicopee, MA <u>Attachment 48, Tab 2 CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased March 1, 2016.	
Colonial Manor Medical and Rehab Center 1010 East Wausau Avenue Wausau, WI 54403 <u>Attachment 48, Tab 24, CMS Star Data.</u>	7% interest in operations. Purchased June/July 2014	
Crossroads Care Center 965 McMillan St Worthington, MN 56187 <u>Attachment 48, Tab 6, CMS Star Data.</u>	7% interest in real estate; 7% interest in operations. Purchased April 1, 2016.	
Delmar Nursing and Rehabilitation Center 101 E. Delaware Ave Delmar DE 19940 <u>Attachment 48, Tab 7, CMS Star Data.</u>	19% interest in real estate; 19% interest in operations. Purchased June, 2015.	

<p>Eastview Medical and Rehab Center 729 Park Street Antigo, WI 54409 <u>Attachment 48, Tab 25,</u> <u>CMS Star Data.</u></p>	<p>7% interest in operations. Purchased June/July 2014</p>	
<p>Franklin Woods Nursing and Rehab 2770 Clime Rd. Columbus, OH 43223 <u>Attachment 48, Tab 26,</u> <u>CMS Star Data.</u></p>	<p>7% interest in operations. Purchased June/July 2014</p>	
<p>Gardens at Cannon Falls (formerly, Angel Care Center) 300 Dow Street North Cannon Falls MN <u>Attachment 48, Tab 18,</u> <u>CMS Star Data.</u></p>	<p>20% interest in operations. Purchased March 1, 2016.</p>	
<p>Hamilton Nursing Home 590 East Grand Blvd Detroit MI 48207 <u>Attachment 48, Tab 8, CMS</u> <u>Star Data.</u></p>	<p>10% of the real estate; 10% interest in operations. Purchased on 9/2/15.</p>	
<p>Lebanon Country Manor 700 Monroe Rd. Lebanon, OH 45036 <u>Attachment 48, Tab 27,</u> <u>CMS Star Data.</u></p>	<p>7% interest in operations. Purchased in June/July 2014.</p>	
<p>Logan Health Care Center 300 Arlington Ave Logan, OH 43138 <u>Attachment 48, Tab 28,</u> <u>CMS Star Data.</u></p>	<p>7% interest in operations. Purchased in June/July 2014.</p>	
<p>Maple Ridge Medical and Rehab Center 2305 San Luis Place Green Bay, WI 54304 <u>Attachment 48, Tab 29,</u> <u>CMS Star Data.</u></p>	<p>7% interest in operations. Purchased in June/July 2014.</p>	

Maybrook Hills Health and Rehab Center (formerly Valley View of Altoona) 301 Valley View Blvd, Altoona, PA 16602 <u>Attachment 48, Tab 35,</u> <u>CMS Star Data.</u>	5% interest in operations. Purchased January 2016	
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753 <u>Attachment 48, Tab 10,</u> <u>CMS Star Data.</u>	9% interest in real estate; 9% interest in operations. Purchased in November 2015	
North Ridge Medical and Rehab Center 1445 North 7th Street Manitowoc, WI 54220 <u>Attachment 48, Tab 30,</u> <u>CMS Star Data.</u>	7% interest in operations. Purchased in June/July 2014.	
Pickerington Nursing and Rehab Center 1300 Hill Rd. Pickerington, OH 43147 <u>Attachment 48, Tab 31,</u> <u>CMS Star Data.</u>	7% interest in operations. Purchased in June/July 2014.	
Sheridan Medical Complex 8400 Sheridan Road Kenosha, WI 53143 <u>Attachment 48, Tab 32,</u> <u>CMS Star Data.</u>	7% interest in operations. Purchased in June/July 2014.	
South Shore Care Center 1307 S Shore Dr Worthington, MN 56187 <u>Attachment 48, Tab 16,</u> <u>CMS Star Data.</u>	7% interest in real estate; 7% interest in operations. Purchased April 1, 2016.	
Valley View Manor 200 9th Ave E Lamberton, MN 56152 <u>Attachment 48, Tab 19,</u> <u>CMS Star Data.</u>	9.375% interest in real estate; 9.375% interest in operations. Purchased in 2015.	

Waterbury Gardens (formerly, Village Green of Waterbury) 128 Cedar Ave Waterbury CT <u>Attachment 48, Tab 21,</u> <u>CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased March 17, 2016.	
Waters Edge Rehab and Care Center 3415 Sheridan Road Kenosha, WI 53140 <u>Attachment 48, Tab 33,</u> <u>CMS Star Data.</u>	7% interest in operations. Purchased in June/July 2014.	
Westfield Gardens and Nursing Rehab (formerly, Renaissance Manor of Westfield) 37 Feeding Hills Road, Westfield, MA 01085 <u>Attachment 48, Tab 14,</u> <u>CMS Star Data.</u>	10% interest in real estate; 10% interest in operations. Purchased on 12/16/2015.	
Winchester Place Nursing and Rehab Center 36 Lehman Dr. Canal Winchester, OH 43110 <u>Attachment 48, Tab 34,</u> <u>CMS Star Data.</u>	7% interest in operations. Purchased in June/July 2014.	

David Gamzeh	Ownership Interests	Licensed Nursing Home Administrator
Centennial Gardens (formerly, Crystal Care Center) 3245 Vera Cruz Ave Minneapolis MN <u>Attachment 48, Tab 4, CMS</u> <u>Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Chicopee Gardens Rehabilitation and Care Center (formerly, Birch Manor Rehabilitation & Skilled Nursing Center)	18.5% interest in real estate; 18.5% interest in operations. Purchased March 1, 2016.	

44 New Lombard Rd Chicopee, MA <u>Attachment 48, Tab 2, CMS Star Data.</u>		
Daughters of Jacob Nursing Home Co., Inc. 1160 Teller Avenue Bronx, NY 10456		2013-2014 LNHA
Gardens at Cannon Falls (formerly, Angel Care Center) 300 Dow Street North Cannon Falls MN <u>Attachment 48, Tab 18, CMS Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Hamilton Nursing Home 590 East Grand Blvd Detroit MI 48207 <u>Attachment 48, Tab 8, CMS Star Data.</u>	11.25% interest in real estate; 18.75% interest in operations. Purchased in September 2015.	
Holliswood Center for Rehabilitation & Healthcare 195 44 Woodhull Ave Hollis, NY 11423		2010-2012 LNHA
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753 <u>Attachment 48, Tab 10, CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased in November 2015.	
Waterbury Gardens (formerly, Village Green of Waterbury) 128 Cedar Ave Waterbury CT <u>Attachment 48, Tab 21, CMS Star Data.</u>	18.75% interest in real estate; 18.75% interest in operations. Purchased March 17, 2016.	
Westfield Gardens and Nursing Rehab (formerly, Renaissance Manor of Westfield)	20% interest in real estate; 20% interest in operations. Purchased on 12/16/2015.	

37 Feeding Hills Road Westfield, MA 01085 <u>Attachment 48, Tab 14,</u> <u>CMS Star Data.</u>		
Williamsbridge Manor Nursing Home 1540 Tomlinson Ave Bronx, NY 10461		2008 – 2010 LNHA

Akiva Glatzer	Ownership Interests	Licensed Nursing Home Administrator
Centennial Gardens (formerly, Crystal Care Center) 3245 Vera Cruz Ave Minneapolis MN <u>Attachment 48, Tab 4, CMS</u> <u>Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Chicopee Gardens Rehabilitation and Care Center (formerly, Birch Manor Rehabilitation & Skilled Nursing Center) 44 New Lombard Rd Chicopee, MA <u>Attachment 48, Tab 2 ,</u> <u>CMS Star Data.</u>	18.5% interest in real estate; 18.5% interest in operations. Purchased March 1, 2016.	
Gardens at Cannon Falls (formerly, Angel Care Center) 300 Dow Street North Cannon Falls MN <u>Attachment 48, Tab 18,</u> <u>CMS Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Hamilton Nursing Home 590 East Grand Blvd Detroit MI 48207 <u>Attachment 48, Tab 8,</u> <u>CMS Star Data.</u>	11.25% interest in real estate; 18.75% interest in operations. Purchased on 9/2/15.	

Holliswood Center for Rehabilitation & Healthcare 195 44 Woodhull Ave Hollis, NY 11423		November 2012 – August 2015 LNHA
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753 <u>Attachment 48, Tab 10, CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased in November 2015.	
Waterbury Gardens (formerly, Village Green of Waterbury) 128 Cedar Ave Waterbury CT <u>Attachment 48, Tab 21 , CMS Star Data.</u>	18.75% interest in real estate; 18.75% interest in operations. Purchased March 17, 2016.	
Westfield Gardens and Nursing Rehab (formerly, Renaissance Manor of Westfield) 37 Feeding Hills Road Westfield, MA 01085 <u>Attachment 48, Tab 14, CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased on 12/16/2015.	
Williamsbridge Manor Nursing Home 1540 Tomlinson Ave Bronx, NY 10461		November 2010 – November 2012 LNHA

Ephram Mordy Lahasky	Ownership Interests	Licensed Nursing Home Administrator
Barclay's Health and Rehabilitation (formerly, ManorCare Health Services) 412 Marlton Pike E Cherry Hill, NJ 08034 <u>Attachment 48, Tab 9, CMS Star Data.</u>	12.5% interest in operations. Purchased November 2015.	

Bayshore Health and Rehab 1601 St Louis Ave Duluth, MN 55802 <u>Attachment 48, Tab 1, CMS Star Data.</u>	20.8% interest in real estate; 20.8% interest in operations. Purchased April 1, 2016.	
Brighton Rehabilitation and Wellness Center (formerly, Friendship Ridge) 246 Friendship Circle Beaver PA 15009 <u>Attachment 48, Tab 3, CMS Star Data.</u>	9.7 % interest in real estate; 9.7% interest in operations. Purchased in March 2014.	
Centennial Gardens (formerly, Crystal Care Center) 3245 Vera Cruz Ave Minneapolis MN <u>Attachment 48, Tab 4, CMS Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Chicopee Gardens Rehabilitation and Care Center (formerly, Birch Manor Rehabilitation & Skilled Nursing Center) 44 New Lombard Rd Chicopee, MA <u>Attachment 48, Tab 2, CMS Star Data.</u>	18.5% interest in real estate; 18.5% interest in operations. Purchased March 1, 2016.	
Claiborne and Hughes Health Center 200 Strahl St Franklin TN 37064 <u>Attachment 48, Tab 5 , CMS Star Data.</u>	9% interest in real estate; 9% interest in operations. Purchased in January 2015.	
Comprehensive Rehab & Nursing Center at Williamsville (formerly, St. Francis Home of Williamsville) 147 Reist St Williamsville, NY 14221 <u>Attachment 48, Tab 17, CMS Star Data.</u>	37.5% interest in real estate; 37.5% interest in operations. Purchased in May 2015.	

Crossroads Care Center 965 McMillan St Worthington, MN 56187 <u>Attachment 48, Tab 6, CMS Star Data.</u>	20.83% interest in real estate; 20.8% interest in operations. Purchased April 1, 2016.	
Delmar Nursing and Rehabilitation Center 101 E. Delaware Ave Delmar DE 19940 <u>Attachment 48, Tab 7, CMS Star Data.</u>	19% interest in real estate; 19% interest in operations. Purchased in June 2015.	
Gardens at Cannon Falls (formerly, Angel Care Center) 300 Dow Street North Cannon Falls MN <u>Attachment 48, Tab 18, CMS Star Data.</u>	14.5% interest in operations. Purchased March 1, 2016.	
Hamilton Nursing Home 590 East Grand Blvd Detroit MI 48207 <u>Attachment 48, Tab 8, CMS Star Data.</u>	11.25% interest in real estate; 18.75% interest in operations. Purchased in September 2015.	
Health Center at Galloway 66 West Jimmie Leeds Rd Galloway, NJ 08205 <u>Attachment 48, Tab 36, CMS Star Data.</u>	5% interest in real estate. Purchased in 2013.	
Highland Manor Rehabilitation and Nursing Center 750 Schooley Ave Exeter, PA 18643 <u>Attachment 48, Tab 37, CMS Star Data.</u>	5% interest in real estate. Purchased in 2014.	
Maybrook Hills Health and Rehab Center (formerly Valley View of Altoona 301 Valley View Blvd, Altoona, PA 16602 <u>Attachment 48, Tab 35, CMS Star Data.</u>	28.5 interest in operations. Purchased January 2016.	

Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753 <u>Attachment 48, Tab 10, CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased 11/6/2015.	
Parkside Care Center 110 Park City Rd Rossville GA <u>Attachment 48, Tab 11, CMS Star Data.</u>	22.5% interest in real estate; 22.5% interest in operations. Purchased April 1, 2016.	
Pearl Valley Muscatine (formerly, All American) 2002 Cedar St Muscatine, IA 52761 <u>Attachment 48, Tab 12, CMS Star Data.</u>	19.5% interest in real estate; 19.5% interest in operations. Purchased April 1, 2016.	
Pearl Valley Rehabilitation & Healthcare Center 601 E Polk St. Washington, IA 52353 <u>Attachment 48, Tab 13, CMS Star Data.</u>	18.5% interest in real estate; 18.5% interest in operations. Purchased September 2015.	
Ridgeview Nursing and Rehab 200 Pennsylvania Ave Shenandoah, PA 17976 <u>Attachment 48, Tab 15, CMS Star Data.</u>	12.5% interest in real estate; 12.5% % interest in operations. Purchased March 1, 2016.	
South Shore Care Center 1307 S Shore Dr Worthington, MN 56187 <u>Attachment 48, Tab 16, CMS Star Data.</u>	20.83% interest in real estate; 20.8% interest in operations. Purchased April 1, 2016.	
Valley View Manor 200 9th Ave E Lamberton, MN 56152 <u>Attachment 48, Tab 19, CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased 2015.	

Villages of Orleans Health and Rehab Center 14012 State Highway 31 Albion, NY 14411 <u>Attachment 48, Tab 20,</u> <u>CMS Star Data.</u>	25% interest in real estate. Purchased in 2015.	
Waterbury Gardens) (formerly, Village Green of Waterbury) 128 Cedar Ave Waterbury CT <u>Attachment 48, Tab 21,</u> <u>CMS Star Data.</u>	18.75% interest in real estate; 18.75% interest in operations. Purchased March 17, 2016.	
Westfield Gardens and Nursing Rehab (formerly, Renaissance Manor of Westfield) 37 Feeding Hills Road Westfield, MA 01085 <u>Attachment 45, Tab 14,</u> <u>CMS Star Data.</u>	20% interest in real estate; 20% interest in operations. Purchased December 2015.	

52. Special Focus Facilities

None of the facilities identified above is designated as a Special Focus Facility per CMS data as of September 29, 2016.

53. Ratings and Data for Facilities Owned and/or Operated by Applicants

For each of the facilities in which an individual applicant holds an ownership interest, (see **Attachment 49**), the Applicants are providing the following data in table format with the facilities listed in the y axis and the requested information (from the CMS website) in the x axis, indicating the date or time period covered:

- The overall CMS star ratings (1-5 stars), see **Attachment 50**;
- The CMS star ratings for staffing, see **Attachment 51**;
- The CMS star ratings for RN staffing, see **Attachment 52**;
- The short and long-term resident stay quality measures (for each measure where the facility scores below the state average for the state where the facility is located, Applicants have indicated the percentage below average, leaving measures that are at, or above the state average blank), see **Attachment 53**;

- Any fines, penalties or denials of Medicare since 2012, see **Attachment 54**;
- The provider entity for mental health services and psychiatry services, indicating whether on-site or tele-health, see **Attachment 55**;
- Re-hospitalization rates, see **Attachment 56**.

Please see **Attachment 57**, for the Overall Star rating by month for the Williamsbridge and Holliswood facilities where Mr. Gamzeh and Glatzer each served as the LNHA.

54. Pending Litigation Against Facilities Owned and/or Operated by Applicants and Applicants

There is no pending litigation against any of the facilities above, (see **Attachment 49**). There is, however, litigation against Jordan Fensterman pending in the New York Supreme Court, Nassau County, Docket # 010021/2015, *Martin Farbenblum, Edward Farbenblum, Dr. Anthony Bacci, and M&W Farbenblum LLC, each individually and on behalf of HH Acquisition I LLC vs. Howard Fensterman, Abrams, Fensterman, Fensterman, Eisman, Formato, Ferrarra & Wolf, LLP; Robert Fensterman, Lori Fensterman, Jordon Fensterman, Staci Fensterman, Irwin Peckman, Steven J. Eisman, Mark Frimmel, Sara C. Lichtenstein, Patrick Formato, Allon Povol and John Does 1-10*.

Before Mr. Fensterman had direct involvement in nursing home transactions, his father, Howard Fensterman, was engaged in nursing home transactions. Howard Fensterman occasionally gifted Jordan Fensterman and his sister, Staci Leibson, a small portion of his interest in the nursing homes, always less than a 1% ownership interest, and usually in the range of 1/4% – 1/3% interest. The sellers in a transaction involving two (2) separate skilled nursing and adult care facilities filed a law suit against everyone involved in the purchase of these facilities. Jordon Fensterman holds less than 1% ownership in the facilities subject to the law suit.

The plaintiffs assert that they did not receive all of the proceeds to which they were entitled from the sale of the facilities. The defendants have brought a third party action against the attorney who drafted the relevant sales documents.

There have been no dispositive motions. Discovery has not taken place. The matter is presently stayed, awaiting the appointment of Estate representatives for plaintiff, Martin Farbenblum, and defendant, Steven J. Eisman.

55. Managing Members for Facility Operations

Messrs. David Gamzeh and Akiva Glatzer will serve as the managing members for facility operations at the Facilities, working collaboratively with the Administrators for each home.

David Gamzeh and Akiva Glatzer will be addressing day to day operations, along with Shalom Lerner LNHA who will serve as the regional director of operations. Mr.

Lerner's resume is attached hereto as **Attachment 58**. Messrs. Glatzer and Gamzeh are each expected to spend time at each of the Facilities weekly, while they transition ownership. They will each a lot a minimum of eight (8) hours to do so, but will increase this time should it become necessary to do so. Shalom Lerner is expected to be on site among the Facilities at least eight (8) hours per week. These hours will change as needed. In other words, if eight (8) hours per week is not adequate, then they will add more hours. Likewise, Messrs. Glatzer and Gamzeh would expect over time that there would no longer be a need for each to be on site eight (8) hours weekly. That, of course, will depend on how long it takes to smoothly transition each of the Facilities.

Mr. Glatzer will focus on admissions and marketing initiatives as well as reimbursement. Mr. Gamzeh will focus on labor management and relations, as well as overseeing clinical strategies. Mr. Lerner will oversee day-to-day operations and will work directly with the facility's Licensed Nursing Home Administrator. In addition, Priority Healthcare Group, LLC ("Priority Healthcare") will have a Regional Clinical Director and Vice President of Clinical Services who will be working at the Facility as needed. Over time, as the Facility improves and quality measures are consistently above average, the assignment of Priority Healthcare individuals to the Facility will evolve. What that will look like will depend upon what the Facility and its residents need.

Even if Messrs. Glatzer and Gamzeh are spending at two to three days per week in Vermont transitioning their new homes, they will have sufficient time to devote to Priority Healthcare's other facilities.

a. David Gamzeh's Background and Relevant Experience

During law school, Mr. Gamzeh enrolled in an Administrator-in-Training program at Fairview Nursing Care Center where he successfully completed the requisite program hours. He currently holds a Nursing Home Administrator's License in both New York and New Jersey. In August of 2008, he was hired by Centers Health Care to become the Administrator of Williamsbridge Manor Nursing Home, a 77 bed SNF, where he obtained two near perfect Department of Health Surveys. He also guided the facility to attain a 5-Star rating by CMS.

In November of 2010, Centers Health Care entrusted Mr. Gamzeh to become the Administrator at Holliswood Care Center, a 314 bed skilled nursing facility ("SNF"), in order to transition the facility under new ownership. Census in the facility was 77% and within six months census was raised to 97%. Additionally, on the very first Department of Health Survey under new ownership, Holliswood received a clinically deficiency free DOH survey. In November of 2012, Centers Health Care promoted Mr. Gamzeh to become a regional director of operations.

In July of 2013, while still maintaining his duties as a regional administrator for Centers Health Care, Mr. Gamzeh was asked once again to become the Administrator in order to transition Daughters of Jacob Nursing Home, a 405 bed SNF with 28 ventilator dependent beds. Daughters of Jacob was a non-for-profit facility, and Mr. Gamzeh successfully transitioned the facility under new ownership, once again guiding

the facility to a clinically free survey in its first year under new ownership. While Mr. Gamzeh was the Administrator for Daughters of Jacob, census increased from 86% to 97%, within 6 months.

Mr. Gamzeh has transitioned numerous nursing homes under new ownership, and each facility's CMS star rating improved. Throughout the years in each facility, Mr. Gamzeh had the privilege of extensive interaction with diverse residents from various backgrounds. Mr. Gamzeh spent much time and effort increasing the quality of patient care. These improvements can be seen from the rise in star ratings and outstanding New York State Department of Health surveys. Every facility presented different challenges, whether not-for-profit or proprietary, and Mr. Gamzeh successfully overcame these challenges.

b. Akiva Glatzer's Background and Relevant Experience

Akiva Glatzer has significant nursing home operations experience. When he began working in healthcare for Centers Health Care in their corporate headquarters, his responsibilities were primarily focused on directing the operations of six facilities' finance departments and ensuring that policies and procedures were met and that systems were running smoothly.

In November 2010, Mr. Glatzer was appointed by Centers Health Care to become the Administrator of Williamsbridge Manor Nursing Home, a 77 bed SNF, where he transitioned the facility to a short-term care model. While there, he obtained two near perfect Department of Health Surveys. He also maintained a 5-Star rating by CMS.

In November 2012, Centers Health Care appointed Mr. Glatzer to become the Administrator of Holliswood Center, a 314 bed SNF. Mr. Glatzer successfully transitioned the facility to a short-term care model where the mantra was "get healthy and go home." While there, he maintained near 100% occupancy. He led the Holliswood team to perfect or near perfect surveys with the last one under his leadership being clinically deficiency free. Through his time in Holliswood, Mr. Glatzer maintained a 5-star rating for Holliswood. Some notable accomplishments during his time at Holliswood were that he and the facility assisted in developing a state-of-the-art wander-prevention system that is integrated with real time data and features that help promote quality care. Mr. Glatzer and his team also developed a first-of-its-kind adult day care model program for Alzheimer's dementia residents to help promote wellness through structured group settings. The program has been filmed by an award winning educational documentary journalist and intends to be a catalyst and model for Alzheimer's care in the future.

Holliswood had a 60 bed unit that catered to institutionalized psych residents and another 60 bed unit for cognitively impaired behavioral management residents. Both of these long term units partnered with hospitals and institutions for the cognitively impaired that enabled the care for these residents in a less restrictive setting where their individual needs could be better met. The goal was to take these residents who would have been more confined elsewhere and actually enable them to enjoy a better quality of life by being in such a facility. Many of Holliswood's institutionalized psych

residents progressed so much so that the facility was able to transition them back into the community.

Holliswood had an aggressive program with its pharmacy consultant and psychiatrist for reductions in anti-psychotic medications. The facility, under both Messrs. Gamzeh and Glatzer also provided staff education in behavioral management. All of these elements helped contribute to a better quality of life for the residents.

Throughout his tenure as an administrator, Mr. Glatzer focused on care and compassion as the strength and backbone to what would create a desirable environment for his residents. He consistently maintained near perfect surveys and high CMS ratings. This was all reflected in his consistently high occupancy; he occasionally encountered waiting lists for residents wanting to reside in his facility. Mr. Glatzer understands that he works for the residents, with their well-being as his priority.

As stated, in June/July 2015, Mr. Glatzer co-founded Priority Healthcare.

c. Shalom Lerner's Background and Relevant Experience

Mr. Lerner currently is the Administrator at Waterbury, but it is anticipated that he will transition out of that position and focus on assuring a smooth transition of ownership in the Vermont facilities, to include Rowan Court and Newport Health Care Center, specifically, and the New England region for Priority Healthcare's facilities, generally.

The monthly CMS Overall Star Rating for each facility during the period of time in which Mr. Lerner acted as Administrator is submitted as **Attachment 59**.

d. Priority Healthcare Group, LLC

In June/July 2015, Mr. Gamzeh and Akiva Glatzer co-founded Priority Healthcare and are the managing members of this management company that operates skilled nursing facilities. Priority Healthcare provides services, such as, accounts payable, accounts receivable, billing, human resources, payroll, compliance, day to day oversight, financial reporting, marketing, business development and purchasing (collectively, "Priority Services"). It is anticipated that Priority Healthcare will provide the following services for the Facility: accounts payable, accounts receivable, billing, payroll, compliance, day to day oversight, financial reporting, marketing, business development, purchasing and clinical and administrative support. At present, Priority Healthcare provides such services at the following facilities: Chicopee (Birch) Gardens, Centennial Gardens, Hamilton Nursing Home, Neptune Gardens, The Gardens at Cannon Falls, Waterbury Gardens, and Westfield Gardens.

Here are the services provided at each facility for which Priority Healthcare provides management services:

b. Families

Messrs. Gamzeh and Glatzer understand that when a resident may be going through a sub-acute, long term or end of life situation, care can and should carry over to the family. As they attend to residents' families as well, they understand and recognize that there may be unique requests from families. Their goal is to meet all of the needs of their residents' families and to provide the highest quality of life for all, so they have endeavored to and will endeavor to meet each request to the extent of the facility's abilities. Another important point for the Applicants is their view of respect as a cornerstone for how they run their facilities. This is underscored by the high occupancy rates at the facilities where Messrs. Gamzeh and Glatzer served as Administrators. Showing consistent respect toward the residents and families facilitates positive relationships. This ultimately enables all to work together towards excellent care and emotional satisfaction.

c. Staff

Employee satisfaction is extremely important to Messrs. Gamzeh and Glatzer, as they understand that the care provided to residents is often reflective of the caregiver's attitude. This is why they promote programs that emphasize and reward good care. Properly recognizing staff efforts and addressing staff concerns in respectful and a timely manner have enabled them to provide quality care. While Mr. Glatzer was the Administrator for Holliswood, an employee won a state association Heart and Hands award for going above and beyond in providing excellent care to residents. This award reflects the culture at Holliswood, where an emphasis was placed on recognizing and rewarding staff for their efforts to go above and beyond that went well beyond the four walls of the facility.

By promoting all that has been mentioned above, supported by historical data from their time as Administrators (where complaints were at a minimum and census at near capacity), Messrs. Gamzeh and Glatzer are confident that they will create in Maple Lane, Union House, and Pines Rehab Center environments in which residents, families and staff are eager to be involved.

E. Scope of Project

a. Purchase Agreements

- A copy of the Asset Purchase Agreement, by and among Northern Kare Facilities Inc., Kingdom Rehab Center, LLC, Pine Knoll Nursing Home, Inc., and Union House Nursing Home, Inc., (as sellers) and The Gardens at Barton Holdings LLC, The Gardens at Glover Holdings LLC, and The Gardens at Lyndonville Holdings LLC (as purchasers) is submitted as **Attachment 34.**
- A copy of the Operations Transfer Agreement by and between Northern Kare Facilities Inc., Kingdom Rehab Center, LLC, Pine Knoll Nursing Home, Inc., and Union House Nursing Home, Inc., (as old operators) and The Gardens at Barton LLC, The Gardens at Glover LLC, and The Gardens at Lyndonville LLC (as new operators) is submitted as **Attachment 60.**

b. Purchase Price

The purchase price ("Purchase Price") is Eight Million Five Hundred Thousand Dollars (\$8,500,000.00). The Purchase Price will include all building and all other structures, facilities or improvements presently or hereafter located in or on the Facilities, and all other items of furniture, fixtures, equipment and any other personal property attached or appurtenant to, located on or used in connection with the ownership, use, operation or maintenance of the Facilities.

Maple Lane Nursing Home (Barton, VT)

Land and Building	\$ 3,200,000.00
Personal Property	\$ 150,000.00
Goodwill	\$ —
	<u>\$ 3,350,000.00</u>

Union House Nursing Home (Glover, VT)

Land and Building	\$ 1,850,000.00
Personal Property	\$ 150,000.00
Goodwill	\$ —
	<u>\$ 2,000,000.00</u>

Pines Rehabilitation & HealthCare Center (Lyndonville, VT)

Land and Building	\$ 3,000,000.00
Personal Property	\$ 150,000.00
Goodwill	\$ —
	<u>\$ 3,150,000.00</u>

TOTAL \$ 8,500,000.00

See **Attachment 34**, Asset Purchase Agreement, Exhibit B, Purchase Price Allocation.

c. Project Cost

The total project cost of purchasing the Facilities is \$8,725,000.00.

Asset purchase costs are set forth above \$8,500,000.00

Maple Lane

Administrative expenses and permits	\$ 50,000.00
Debt financing expenses	\$ 25,000.00 ²

Union House Nursing Home

Administrative expenses and permits	\$ 50,000.00
Debt financing expenses	\$ 25,000.00 ³

² CON Required Tables, The Gardens at Barton LLC & The Gardens at Barton Holdings LLC Purchase of Maple Lane Nursing Home, **Attachment 7**, Table 2.

Pines Rehab & HealthCare Center

Administrative expenses and permits	\$ 50,000.00
Debt financing expenses	\$ 25,000.00 ⁴

Total Project Costs **\$8,725,000.00**

d. Project Financing

The Applicants propose to finance the purchase with a loan in the amount of \$6,800,000.⁵

The projections submitted in support of this application assume that the purchase will be funded by approximately \$1,700,000 from the owners' equity⁶ and that the Applicants will borrow \$6,800,000⁷, with an amortization over 20 years at an estimated 4.5% interest rate. This will fund the \$8,500,000 purchase price. The additional organizational and financing costs of \$150,000 and \$75,000, respectively, will be funded by the owners as equity contributions for a total equity contribution of \$1,925,000.

It is also anticipated that any cash shortfall in the first year of operation will be covered with cash advances from the owners and be paid back as cash flow allows. For the purpose of the projections, (**Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; and **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization.), it is

³ CON Required Tables, The Gardens at Glover LLC & The Gardens at Glover Holdings LLC Purchase of Union House Nursing Home, **Attachment 20**, Table 2.

⁴ CON Required Tables, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings LLC Purchase of Pines Rehab Lane Nursing Home, **Attachment 30**, Table 2.

⁵ See CON Required Tables, The Gardens at Barton LLC & The Gardens at Barton Holdings LLC Purchase of Maple Lane Nursing Home, Table 2, **Attachment 7**; CON Required Tables, The Gardens at Glover LLC & The Gardens at Glover Holdings LLC Purchase of Union House Nursing Home, Table 2, **Attachment 20**; CON Required Tables, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings LLC Purchase of Pines Rehab Lane Nursing Home, Table 2 **Attachment 30**.

⁶ Maple Lane - \$670,000 + \$75,000; Union House - \$400,000 + \$75,000; Pines Rehab - \$630,000 + \$75,000 = \$1,925,000. (**Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; and **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization.)

⁷ Maple Lane - \$2,680,000; Union House - \$1,600,000; Pines Rehab - \$2,520,000 = \$6,800,000.00. (**Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; and **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization.)

anticipated that the owners will have to fund \$900,000 (\$300,000 allocated for each home) for cash flow purposes in the first year and that it will be paid back over time as cash flow permits.

Included as **Attachment 64**, is a letter of interest from Isaac Haas for hhc finance. hhc finance will require the submission of audited annual financial statements from the borrower and guarantor and monthly unaudited financial reporting from the borrower and guarantor.

e. Census and Patient Mix

Overall census numbers are projected to remain constant from the 2015 census each year as detailed below.

With respect to Maple Lane and Pines Rehab, the patient mix is also expected to remain at approximately the same ratio as the 2015 resident mix among Private, Medicaid, and Medicare utilization.

For Union House, the patient mix is expected to gradually move over the first 3 years to a utilization of Private at 10%, Medicare at 10% and Medicaid at 80% of total resident days. The Medicaid utilization for Union House Nursing Home is currently extremely high (over 90%) and management estimates that it will conservatively be able to meet the utilization mix set forth above by year 3.⁸

Projected Census	2017	2018	2019
Maple Lane – Nursing Home			
Private days	3,560	3,560	3,560
Medicaid days	19,573	19,573	19,573
Medicare days	1,216	1,216	1,216
Total days	24,349	24,349	24,349
Occupancy %	93.96%	93.96%	93.96%
Union House			
Private days	875	1,167	1,459
Medicaid days	12,840	12,256	11,672
Medicare days	875	1,167	1,459
Total days	14,590	14,590	14,590
Occupancy %	90.85%	90.85%	90.85%

⁸ **Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization; and **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 3, Project Funding and Capitalization.

Pines Rehab – Nursing Home			
Private days	2,700	2,700	2,700
Medicaid days	15,416	15,416	15,416
Medicare days	1,522	1,522	1,522
Total days	19,638	19,638	19,638
Occupancy %	89.67%	89.67%	89.67%

f. Private Rate

Private rates at each of the Facilities are anticipated to increase \$6.00 per day annually to cover normal inflationary costs. Level III rates for Maple Lane and Pines Rehab are based on the sellers' respective average rates with a \$1.00 per day annual increase for inflation.⁹

g. Medicaid Rate

Maple Lane

The 2017 Medicaid rates are projected at the current rate of \$182.60 plus an estimated \$2.47 per day increase in the property rate for a stepped up basis adjustment at the time of purchase. Each year includes an expected 2.0% increase annually to cover normal inflation.¹⁰

Union House

The 2017 Medicaid rates are projected at the current rate of \$172.83 plus an estimated \$5.22 per day increase in the property rate for a stepped up basis adjustment at the time of purchase. Each year includes an expected 2.0% increase annually to cover normal inflation.¹¹

Pines Rehab

The 2017 Medicaid rates are projected at the current rate of \$178.35 plus an estimated \$5.84 per day increase in the property rate for a stepped up basis adjustment at the time of purchase. Each year includes an expected 2.0% increase annually to cover normal inflation.¹²

⁹ **Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions; **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions; and **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions.

¹⁰ **Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions.

¹¹ **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions.

¹² **Attachment 62**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions.

h. Medicare Rate

Maple Lane

The Medicare rates are expected to increase annually to cover normal inflationary costs starting with the current average Medicare rate of \$345.67 per day and increasing 2% each year.¹³

Union House

The Medicare rates are expected to increase annually to cover normal inflationary costs starting with the current average Medicare rate of \$329.10 per day and increasing 2% each year.¹⁴

Pines Rehab

The Medicare rates are expected to increase annually to cover normal inflationary costs starting with the current average Medicare rate of \$366.03 per day and increasing 2% each year.¹⁵

i. Management Fee

The current owner's management fee will be replaced with a management fee of 4% of revenues per year to cover administrative, accounting and oversight by Priority Healthcare.¹⁶

j. Projected Increase in Costs

All expenses, such as nursing and dietary costs, along with related payroll taxes and benefits, are anticipated to increase at the same ratio of any census increase (if any), on top of the 2% annual inflation increase, except that the Applicants anticipate that they will be able to realize a 10% reduction in the pharmacy and oxygen rehab services, while seeing an increase in Medical & Incontinent Supplies at \$3.50 per resident/per day.

k. Operating Lease

The applicant LLCs owning the assets, The Gardens at Barton Holdings LLC, The Gardens at Glover Holdings LLC, and The Gardens at Lyndonville Holdings LLC, will lease the respective facility to The Gardens at Barton LLC, The Gardens at Glover LLC, and The Gardens at Lyndonville LLC, through a triple net lease. The lease payments will be based on the annual debt service. As a triple net lease, the operating LLC will be

¹³ **Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions.

¹⁴ **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions.

¹⁵ **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 4, Revenue Assumptions.

¹⁶ **Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 5, Expense Assumptions; **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 5, Expense Assumptions; and **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS, NOTE 5, Expense Assumptions.

responsible for the operating costs of the building (real estate taxes, insurances and maintenance). The lease payment itself will be tied to the debt service of the mortgage.

l. Treatment of Lease in Projections

Because this application is being filed jointly by the proposed realty owner/lessor and the proposed operator/lessee, the projections are consolidated. The lease payments are eliminated (both the expense side and the revenue side) to get the consolidated results. The consolidated projections therefore reflect the actual debt and the actual operations, as if the facility is one consolidated entity. It is important to note that the operations will be paying the lease payment.

m. Projected Cash Flow

The cash flow statements in the projections positive cash flow provided by operating activities:

Maple Lane

\$182,889 in Projected 2016 (Year One);
\$176,821 in Projected 2017 (Year Two); and
\$188,827 in Projected 2018 (Year Three).¹⁷

Union House

\$30,557 in Projected 2016 (Year One);
\$104,628 in Projected 2017 (Year Two); and
\$123,633 in Projected 2018 (Year Three).¹⁸

Pines Rehab

\$151,986 in Projected 2016 (Year One);
\$197,211 in Projected 2017 (Year Two); and
\$208,093 in Projected 2018 (Year Three).¹⁹

57. Staffing and service changes

The Administrators for the Facilities are all retiring, which prompted this proposed project. As a result, the Applicants will be hiring three (3) new Licensed Nursing Home Administrators. They do not otherwise have plans at this time to change any of the professional contracts or staffing.

The Applicants do not plan to go through a rehiring process for the current staff. The Operations Transfer Agreement (**Attachment 60**) references terminating the employment of all employees providing services at the Facilities, as of the closing date. (Paragraph 8. EMPLOYEES). This is strictly done on the books and does not mean that the employees

¹⁷ **Attachment 61**, The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS.

¹⁸ **Attachment 62**, The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS.

¹⁹ **Attachment 63**, The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS.

actually cease employment. They are nominally terminated and immediately rehired for the purpose of terminating any potential liability for benefits that is the obligation of the sellers.

It is difficult to develop plans to improve quality/services at the Facilities so far in advance of a change in ownership. However, the Applicants would look to quality measures to identify resident needs and also to admissions criteria to identify if there are any underserved populations.

As for operations, the Applicants first want to see how the homes operate and the skill level required as well as the abilities of the staff to determine the appropriate staffing levels. If they determine that staffing levels are inadequate, then they will not hesitate to increase staffing to meet the residents' immediate and long-term needs.

Copies of the proposed organizational charts for Maple Lane, Union House and Pines Rehab under the Applicants' ownership are submitted as Attachments 65, 66 and 67, respectively.

58. No Change in Employee Benefits

The Applicants do not plan to make any material changes in benefits for staff. The projections set forth in the Consolidated Financial Statements (Attachments 61 - 63) do not assume any changes in benefits. In addition to payroll taxes (FICA, Medicare, SUTA, FUTA), the seller has the following employee benefits which are the basis for the benefit package to be offered by the Applicants if the purchase is approved: Workers' Compensation, Health Insurance, Dental Insurance, Life and AD&D, and 401(k). The projections are based on these same benefits.

59. Health Care Reform

The Applicants intend to participate in health care reform at the Facilities. The specifics will be determined once they begin operating the Facilities and are best able to identify appropriate reform initiatives, such as value-based purchasing. Messrs. Gamzeh and Glatzer believe that their success in improving the overall quality of nursing homes results in large part from the assessment they undertake when they begin overseeing day-to-day operations. By the time this application comes before the Board, the Applicants hope to have experience having managed and possibly owned Rowan Court (to be known as Barre Gardens). It is their expectation that such experience under their belts will better inform what they can do to participate in Vermont's health care reform measures.

60. Patient Admission Criteria

The Facilities' Admissions Policy is submitted Attachment 68. The Applicants plan to continue to use this policy.

61. No Immediate Renovations

No immediate renovations or upgrades have been identified. However, the Applicants will be setting aside \$300,000 for working capital owner loans for each of the Facilities and paying them back as cash flow allows. They are estimating an annual amount of \$135,000 (\$45,000 for each of the Facilities), to be allocated as follows: \$90,000 (\$30,000 each) for improvements; and \$45,000 (\$15,000 each) for equipment.

II. Satisfaction of Applicable Criteria

Section 9437 of Title 18 contains criteria that must be satisfied before the Board may issue a certificate of need to an applicant. The Applicants submit that they meet the applicable criteria for the purchase of the Facilities, as follows:

A. Institute of Health Improvement Triple Aims

Address the Institute of Health Improvement Triple Aims:

- 1. Improving the individual experience of care;**
- 2. Improving the health of populations; and**
- 3. Reducing the per capita costs of care for populations.**

1. Improving the individual experience of care.

Putting the resident first means that each Maple Lane, Union House and Pines Rehab resident will have the right to live in a community where dignity, safety, self-determination and independence are paramount. The Applicants are resolute about promoting and protecting such rights.

Messrs. Gamzeh and Glatzer have personally been involved in de-institutionalizing the nursing homes where they have served as Administrators. They have focused on the needs and rights of each resident. This begins at the time of admission. For example, the Applicants pride themselves on accepting residents with a wider array of needs, including psychological needs, because they have proven that they are successful in addressing more challenging, individual needs.

Each resident's plan of care is and should be uniquely catered to what will improve that individual's overall quality of life. For example, as residents may be faced with external challenges impeding their ability to receive the services that would help them the most, the Applicants understand the importance of serving as advocates to enable residents to receive the benefits to which they are entitled. From a clinical perspective, the Applicants will use the experience and proven success of Messrs. Gamzeh and Glatzer to build and foster partnerships with practitioners to directly benefit their residents. Likewise, these partnerships will be used to create a preventative care model that allows Maple Lane, Union House and Pines Rehab to provide quality care addressed specifically to the needs that are initially bringing these residents to them as well as helping prevent future declines in resident health.

2. Improving the health of populations.

Messrs. Gamzeh and Glatzer have a proven track record when it comes to community and referral source relationships. This is perhaps best evidenced by the absence of complaint surveys and their high census rates. They plan to foster the same relationships on behalf of the Facilities. They will be working with their short term rehabilitation residents to recover and return home. They will also be working with these residents on preventative care and care coordination for their return home. The ultimate impact of such a philosophy over time should be an overall improvement in the physical and mental health of the community's adult population.

3. Reducing the per capita costs of care for populations.

The Applicants intend to contribute to a decrease in the per capita costs of care for Vermont's adult population. The Applicants will foster preventative health measures, so that their residents who complete short term rehabilitation are less likely to return. They will empower individual residents to be more involved in their care, through self-management. They will focus on reducing re-hospitalizations and will also have practitioners provide services with the facility which will help reduce overall costs of care. The ultimate goal is to reduce expenditures on traditional healthcare and the number of their residents requiring hospitalization as well as pharmaceutical expenditures.

B. The proposed project is consistent with the health resource allocation plan (HRAP). 18 V.S.A. § 9437(1) (Criterion 1).

STANDARD 1.6: Applicants seeking to develop a new health care project shall explain how the applicant will collect and monitor data relating to health care quality and outcomes related to the proposed new health care project. To the extent practicable, such data collection and monitoring shall be aligned with related data collection and monitoring efforts, whether within the applicant's organizations or the government.

Currently, each facility conducts its own Quality Assurance and Performance Improvement plan process. Quality Assurance compliance has always been in place based on nursing home regulatory requirements. Detail process varies depending on facility size, personnel designated on the committee etc., and also resident mix, types of needs etc.

The Facilities are members of the Vermont and National Health Care Associations, and they have integrated and will continue to integrate into their existing programs recommendations and compliance measures, as the quality initiative continues to be expanded to meet all CMS requirements.

The Union House Quality Assurance Statement is attached as **Attachment 69.**

The Applicants will revisit the QAPI plan upon a change in ownership. At the outset, they will work with the Quality Assurance Team to review data concerning, but not limited to, falls, medication errors, infection control, wounds and environmental issues, in

order to evaluate and make necessary changes to the QAPI plan and related policies and procedures to facilitate higher quality health care that will better reflect the residents' needs and wishes. If necessary, third-party consultations with appropriate individuals and/or entities will be sought in order to help identify areas needing improvement and necessary steps to implement change

STANDARD 1.7: Applicants seeking to develop a new health care project shall explain how such project is consistent with evidence-based practice. Such explanation may include a description of how practitioners will be made aware of such guidelines, and how guidelines will be incorporated into ongoing decision making.

Messrs. Gamzeh and Glatzer will work with both employed and contracted senior leadership at each of the Facilities, including the Medical Director, the Director of Nursing Services, the Pharmacist, Dietician, etc. to routinely monitor, review, develop and modify clinical policies and procedures against evolving clinical standards. It is the expectation that leadership in such areas as rehab, social services, dementia care, mental health, food/nutrition, etc. will help to establish clinical strategy based on the evolving standards. Senior leadership members are required to keep abreast of new evidence in their respective fields.

Routine and on-going training will be used to educate staff on the implementation of new and existing guidelines

STANDARD 3.12: Any applicant seeking to expand services for potentially terminally ill patients shall explain what efforts that applicant has taken or will undertake which will support high quality, patient centered palliative and end of life care. Such efforts should include training and collaboration with other health care and hospice providers to facilitate high quality, patient centered end of life care.

At the outset, the Applicants intend to continue using the palliative care approaches currently in place at the Facilities for residents with advanced incurable illnesses or limited life expectancies. Over time, the Applicants will be better able to assess whether there are areas in which they are able to improve patient centered palliative and end of life care.

STANDARD 4.7: Applicants seeking to establish, expand or otherwise modify services available to elderly Vermonters shall establish how those services will support the mental health and well-being of this population, including addressing how the applicant supports or otherwise integrates with mental health services currently available.

As discussed above, the Applicants, with high demands for quality, respect and service for their residents, families and employees, will offer the necessary supportive resources through partnering up with physicians, specialists, modern medicine and a better care model to be able to bring additional services that are not provided with the current operator.

STANDARD 5.1: Applicants seeking a certificate of need relating to long-term care services shall demonstrate how they support the Vermont State Health Plan goal of insuring that Vermonters who need long-term care services will receive the services that reflect their personal values and preferences in the least restrictive environment possible.

The Applicants recognize that each resident has the right to live in an environment that promotes dignity, safety, self-determination and independence. The Applicants are resolute in promoting and protecting such rights.

The exact approach will depend in large part on the population to be served by each of the Facilities. For example, Holliswood, where both Messrs. Gamzeh and Glatzer served as Administrators, reflected a significantly higher use of antipsychotic medications than the state average. This statistic, standing alone, seems troubling, yet the star rating for Holliswood and the CMS surveys were excellent. As already explained, Holliswood had a 60 bed unit that catered to institutionalized psych residents and another 60 bed unit for cognitively impaired behavioral management residents. Both of these long term units partnered with hospitals and institutions for the cognitively impaired that enabled the care for these residents in a less restrictive setting where their individual needs could be better met. Also, Holliswood had an aggressive program with its pharmacy consultant and psychiatrist for reductions in antipsychotic medications. The facility, under both Messrs. Gamzeh and Glatzer, also provided staff education in behavioral management. All of these elements helped contribute to a better quality of life for the residents. The goal was to take these residents who would have been more confined elsewhere and actually enable them to enjoy a better quality of life by being in such a facility. Many of Holliswood's institutionalized psych residents progressed so much so that the facility was able to transition them back into the community.

There is anecdotal evidence in the State of Vermont that nursing homes are refusing admittance of, or discharging, residents with behavior management issues – at times, taking them to the local hospital's emergency department, even though there is no medical necessity to do so. The hospitals in turn struggle for days, even weeks and months, to place these residents in suitable skilled nursing facilities, often times being told by facility after facility after facility that they do not have the means to care for a resident with high behavioral management needs.

The Applicants have had great success in caring for these residents. As such, in response to the question above, the Applicants are committed to providing the least restrictive environment but recognize that such an environment could look very different from resident to resident, and facility to facility.

STANDARD 5.2: Nursing homes or similar entities seeking to replace or increase beds shall show the beds are needed. Such showing of need shall be confirmed by the Department of Disabilities, Aging and Independent Living.

The proposed purchase does not include any change in the number of licensed beds at the Facilities. The Applicants will seek confirmation from the Department of Disabilities,

Aging and Independent Living that such beds continue to be needed to provide long-term care to residents in their service areas following the submission of this application.

STANDARD 5.3: Nursing homes or similar entities seeking a certificate of need shall provide a written recommendation from the Department of Disabilities, Aging and Independent Living supporting the new health care project proposal.

The Applicants will seek a written recommendation supporting the Applicants' project proposal from the Department of Disabilities, Aging and Independent Living.

STANDARD 5.4: Nursing homes or similar entities seeking a certificate of need shall demonstrate the applicant is sufficiently capitalized and insured to protect residents against substandard care and to provide for sufficient protection in the event of legal liability of the facility or the facility's operators.

The personal financial statements provided by the individual applicants under separate cover show that they have sufficient liquid assets or easily liquidated assets to cover the equity contribution, to retain sufficient insurance to cover the Facility in the event of legal liability, and to run the facility's day-to-day operations. There are sufficient assets from which to draw if an infusion of capital is required to maintain or upgrade the Facility's physical plant, staffing or programs.

The Applicants will carry Property, Liability and Professional Liability insurance to ensure sufficient protection.

STANDARD 5.12: Applicants seeking to restructure nursing home ownership that triggers the need for a new license from DAIL shall demonstrate the ability to meet all reasonably anticipated financial and quality obligations imposed by the operation of the nursing home.

The Applicants' financial information shows sufficient liquid assets or easily liquidated assets to cover anticipated financial obligations for the purchase and operation of the Facility. The Applicants likewise submit that the projected Medicaid rates reflected in the CON application are acceptable estimates of future Medicaid rates, and that the projected occupancy estimates for the Facilities are reasonable.

As to quality, Pines Rehab has a one-star CMS quality rating. The Applicants are confident in their ability to improve this quality rating and to maintain the quality ratings at the other two facilities (Maple Lane: four stars; Union House: five stars). The records of Messrs. Gamzeh and Glatzer support this. They are confident that through their approach to individualized care the personal experience for each resident will improve. Not surprisingly, the Applicants intend to focus most closely and immediately on improving the individual experience reflected by those quality measures which have lower than state average CMS ratings at the time of change in ownership, with Pines Rehab in particular.

The Applicants will prioritize the individual experience, quality of care, and trained, adequate, and appropriate staffing.

C. The Applicants have met their burden to show that the cost of the project is reasonable pursuant to 18 V.S.A. § 9437(2) (Criterion 2).

Criterion 2 requires that the Applicants demonstrate that the cost of the project is reasonable by meeting three statutory requirements: First, that they “will sustain any financial burden likely to result from the completion of the project”; second, that “the project will not result in an undue increase in the cost of medical care”; and third, that “less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate.” 18 V.S.A. § 9437(2). The Applicants address each requirement in turn.

1. The Applicants can sustain the financial burden likely to result from completion of the Project.

The Applicants have a letter from hhc finance, Attachment 64. As long as the Applicants are successful in securing the funds they plan to use to finance this transaction, they have sufficient funds to purchase the Facilities and make capital improvements and upgrades, as deemed appropriate. The Applicants have submitted financial information showing they have sufficient cash flow to cover the debt obligation, maintain operations, and cover throughout the peaks and valleys in operations. In addition, any cash shortfall in the first year of operation will be covered with cash advances from the owners and be paid back as cash flow allows. For the purpose of the projections, it is anticipated that the owners will have to fund \$900,000 (\$300,000 allocated for each home) for cash flow purposes in the first year and that it will be paid back over time as cash flow permits.

2. The Project will not result in an undue increase in the costs of medical care.

The proposed transaction does not increase the cost of health care. The Applicants are seeking to maintain the current number of beds. They will seek confirmation from DAIL’s Commissioner that the need for these beds remains. In addition, the projected Medicaid rates are modest estimates of future Medicaid rates.

3. Less expensive alternatives are not feasible or appropriate.

The Applicants seek to purchase a skilled nursing facility which is currently in operation with nursing beds that are needed in Vermont. To that end, the Applicants are seeking confirmation from the Commissioner of DAIL as to the ongoing need for these beds. The current owners no longer wish to own or operate the Facilities. No less expensive alternative exists.

D. The Applicants have shown that there is an identifiable need for the proposed project which is appropriate for the Applicants to provide (Criterion 3).

The Facilities are needed facilities in Vermont. Without them, there would be an insufficient number of nursing home beds for this service area. The Applicants will be seeking a letter from DAIL confirming this fact. The Applicants are well qualified to own and operate the Facilities based on their previous experience, namely that of Messrs. Gamzeh and Glatzer. They hope to bring more to the table than just continuing the

operation of these homes as is. They hope to improve quality and to be able to provide beds for those individuals in Vermont who are currently having difficulty finding placement in a skilled nursing facility due to behavioral management concerns.

E. The Applicants have shown that the project will provide greater access to health care for Vermonters (Criterion 4).

The Applicants' purchase of the Facilities will improve health care quality and will ensure that sufficient and needed nursing home beds will be available to Vermonters. The Applicants are confident that they have the proven skills and commitment to address the needs of residents with higher needs, namely behavior management needs. At present, these are the residents with the most difficulty finding placement in Vermont.

F. The project will not have an undue adverse impact on any other existing services provided by the Applicants (Criterion 5).

The project allows for the continued operation of Maple Lane, Union House and Pines Rehab. There is nothing to suggest that any of the current services provided by the Applicants in their other interests and involvements will suffer. These other interests and involvements are via separate corporate entities with individual tax identification numbers, bank accounts and liability insurance policies. The Applicants assert that unforeseen financial problems with the Facility should not adversely affect any other facilities in which the Applicants' managing members hold ownership interests. The Applicants have good business relationships with various lenders. In addition, Priority Healthcare will enable Messrs. Gamzeh and Glatzer to oversee management at the Facilities, without a concomitant drop in management at Priority Healthcare's other facilities.

G. The project will serve the public good (Criterion 6).

The project will enable the Facility to continue to help meet the needs of the community's population. The Applicants hope to expand the reach to individuals with greater needs who have difficulty finding beds due to concerns about behavior management.

The Applicants hope to work with the Green Mountain Care Board and others to reduce the costs of care, while improving care and access to care.

H. The applicant has adequately considered the availability of affordable, accessible patient transportation services to the facility (Criterion 7); and

The proposed purchase of the Facilities includes vehicles for transporting residents.

I. If the application is for the purchase or lease of new health care information technology, it conforms with the health information technology plan established under section 9351 of this title (Criterion 8).

This criterion is not applicable, as the application does not include the purchase or lease of new health care information technology.

Based on the foregoing, the Applicants submit that the purchase and continued operation of Maple Lane, Union House and Pines Rehab meet the applicable statutory criteria.

Attachment	Document Description
Attachment 1	Chart, current ownership of Maple Lane, Union House and Pines Rehab
Attachment 2	Assets and Improvements for Maple Lane
Attachment 3	Francis Cheney III's Curriculum Vitae and Proof of Licensure
Attachment 4	Ronda Smith's Curriculum Vitae and Proof of Licensure
Attachment 5	Maria Fatigati, M.D.'s Curriculum Vitae and Proof of Licensure
Attachment 6	Current Staff Listing for Maple Lane
Attachment 7	Required Tables (Project Costs, Debt Financing Arrangement, Income Statement, Balance Sheet, Statement of Cash Flow, Revenue Source Programs, Utilization, and Staffing Projections) – Maple Lane
Attachment 8	Sherlyn B. Morrisette's Proof of Licensure
Attachment 9	HealthDirect Institutional Pharmacy Services' Proof of License
Attachment 10	Survey History – Maple Lane
Attachment 11	CMS Five-Star Quality Rating – Maple Lane
Attachment 12	Financial Statements for all 3 Facilities 2013
Attachment 13	Financial Statements for all 3 Facilities 2014
Attachment 14	Financial Statements for all 3 Facilities 2015
Attachment 15	Current Organizational Chart – Maple Lane
Attachment 16	Assets and Improvements – Union House
Attachment 17	Patricia Russell's Curriculum Vitae and Proof of Licensure
Attachment 18	Dorene Valiquette's Curriculum Vitae and Proof of Licensure
Attachment 19	Current Staff Listing for Union House
Attachment 20	Required Tables (Project Costs, Debt Financing Arrangement, Income Statement, Balance Sheet, Statement of Cash Flow, Revenue Source Programs, Utilization, and Staffing Projections) – Union House
Attachment 21	Susanne Wernecke's Proof of Licensure
Attachment 22	Survey History – Union House
Attachment 23	CMS Five-Star Quality Rating – Union House
Attachment 24	Current Organizational Chart – Union House
Attachment 25	Assets and Improvements for Pines Rehab
Attachment 26	Francis Cheney, Jr.'s Curriculum Vitae and Proof of Licensure
Attachment 27	Diana LaFountain's Curriculum Vitae and Proof of Licensure
Attachment 28	Joyce Dobberty, M.D.'s Curriculum Vitae and Proof of Licensure
Attachment 29	Current Staff Listing for Pines Rehab
Attachment 30	Required Tables (Project Costs, Debt Financing Arrangement, Income Statement, Balance Sheet, Statement of Cash Flow, Revenue Source Programs, Utilization, and Staffing Projections) – Pines Rehab
Attachment 31	Survey History – Pines Rehab
Attachment 32	CMS Five-Star Quality Rating – Pines Rehab
Attachment 33	Current Organizational Chart – Pines Rehab
Attachment 34	Asset Purchase Agreement
Attachment 35	
Tab A	Articles of Organization – The Gardens at Barton Holdings LLC
Tab B	Articles of Organization – The Gardens at Barton LLC
Attachment 36	
Tab A	Articles of Organization – The Gardens at Glover Holdings LLC

Tab B	Articles of Organization – The Gardens at Glover LLC
Attachment 37	
Tab A	Articles of Organization – The Gardens at Lyndonville Holdings LLC
Tab B	Articles of Organization – The Gardens at Lyndonville LLC
Attachment 38	Joshua Farkovits’ Curriculum Vitae
Attachment 39	Jordan Fensterman’s Curriculum Vitae
Attachment 40	David Gamzeh’s Curriculum Vitae
Attachment 41	Akiva Glatzer’s Curriculum Vitae
Attachment 42	Ephram Mordy Lahasky’s Curriculum Vitae
Attachment 43	See Table Below
Attachment 44	See Table Below
Attachment 45	See Table Below
Attachment 46	See Table Below
Attachment 47	See Table Below
Attachment 48	
Tab A	CMS Profile for Bayshore
Tab B	CMS Profile for Chicopee
Tab C	CMS Profile for Brighton
Tab D	CMS Profile for Centennial
Tab E	CMS Profile for Claiborne
Tab F	CMS Profile for Crossroads
Tab G	CMS Profile for Delmar
Tab H	CMS Profile for Hamilton House
Tab I	CMS Profile for Barclay’s
Tab J	CMS Profile for Neptune
Tab K	CMS Profile for Center for Advanced Rehabilitation Practice (Parkside)
Tab L	CMS Profile for Pearl Valley (Muscatine)
Tab M	CMS Profile for Pearl Valley (Washington)
Tab N	CMS Profile for Westfield
Tab O	CMS Profile for Ridgeview
Tab P	CMS Profile for South Shore
Tab Q	CMS Profile for Comprehensive Rehab
Tab R	CMS Profile for Cannon Falls
Tab S	CMS Profile for Valley View Manor
Tab T	CMS Profile for Villages of Orleans
Tab U	CMS Profile for Waterbury Gardens
Tab V	CMS Profile for Burlington
Tab W	CMS Profile for Cambridge
Tab X	CMS Profile for Colonial Manor
Tab Y	CMS Profile for Eastview
Tab Z	CMS Profile for Franklin Woods
Tab AA	CMS Profile for Lebanon
Tab BB	CMS Profile for Logan
Tab CC	CMS Profile for Maple Ridge
Tab DD	CMS Profile for North Ridge
Tab EE	CMS Profile for Pickerington

Tab FF	CMS Profile for Sheridan
Tab GG	CMS Profile for Waters Edge
Tab HH	CMS Profile for Winchester Place
Tab II	CMS Profile for Maybrook Hills
Tab JJ	CMS Profile for Health Center at Galloway
Tab KK	CMS Profile for Highland
Attachment 49	Ownership Interests of Individual Applicants
Attachment 50	Overall CMS Star Ratings
Attachment 51	CMS Star Rating – Staffing
Attachment 52	CMS Star Rating – RN Staffing
Attachment 53	Quality Measures
Attachment 54	Fines, Penalties, or Denials of Medicare since 2012
Attachment 55	Provider Entity for Mental Health Services and Psychiatry Services
Attachment 56	Re-hospitalization Rates
Attachment 57	Overall Star Rating for Williamsbridge and Holliswood
Attachment 58	Shalom Lerner’s Curriculum Vitae
Attachment 59	CMS Star Ratings for Facilities During Mr. Lerner’s Administration
Attachment 60	Operations Transfer Agreement
Attachment 61	The Gardens at Barton LLC & The Gardens at Barton Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS
Attachment 62	The Gardens at Glover LLC & The Gardens at Glover Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS
Attachment 63	The Gardens at Lyndonville LLC & The Gardens at Lyndonville Holdings, LLC CONSOLIDATED FINANCIAL STATEMENTS
Attachment 64	Letter from Isaac Haas for hhc finance
Attachment 65	Proposed Organizational Chart – Maple Lane
Attachment 66	Proposed Organizational Chart – Union House
Attachment 67	Proposed Organizational Chart – Pines Rehab
Attachment 68	Facilities’ Admissions Policy
Attachment 69	Union House QAPI Statement

Attachments to be filed under separate cover:

Attachment	Document Description –Confidentially Filed Under Separate Cover
Attachment 43	Joshua Farkovits’ Personal Financial Statement
Attachment 44	Jordan Fensterman’s Personal Financial Statement
Attachment 45	David Gamzeh’s Personal Financial Statement
Attachment 46	Akiva Glatzer’s Personal Financial Statement
Attachment 47	Ephram Mordy Lahasky’s Personal Financial Statement